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Kroger Announces Expansion Plans for Shelbyville Distribution Center

INDIANAPOLIS — The Kroger Co. has committed \$10.2 million to expand its Shelbyville distribution facility, retaining 800 Hoosier jobs, Lt. Governor Joe Kernan announced today.

Kroger will upgrade its Shelbyville Distribution Facility, which will better equip the company to handle its full line of perishable food products. Located at 4301 North 125 West in Shelbyville, the facility will ship products to more than 244 stores throughout the Midwest. The facility currently employs 800 people in warehouse, clerical and management positions and is managed by the Atlas Cold Storage Corp.

"Kroger and Atlas have a solid history of economic success and a strong history of employing Central Indiana residents," said Kernan, who leads the state's economic development efforts as head of the Indiana Department of Commerce. "We are enormously proud of the initiative these companies have shown, and we are delighted to help support this expansion."

Headquartered in Cincinnati, Ohio, Kroger is one of the nation's largest retail grocery chains. At the end of the first quarter of fiscal year 2003, the company operated (either directly or through its subsidiaries) 2,496 supermarkets and multi-department stores in 32 states under two dozen banners including Kroger, Ralph's, Fred Meyer, Food 4 Less, King Soopers, Smith's, Fry's and Fry's Marketplace, Dillons, QFC and City Market. Kroger also operated (either directly or through its subsidiaries) 792 convenience stores, 445 fine jewelry stores, 395 supermarket fuel centers and 41 food-processing plants.

Kroger's partner in the venture, Atlas Cold Storage, is a third party logistics, distribution and warehousing company that owns and operates 54 facilities, with 270 million cubic feet of modern refrigerated space throughout North America. The company provides cost-efficient distribution solutions to customers at every point in North America.

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"Kroger is pleased to partner with Atlas Cold Storage, the state of Indiana, Shelby County and the city of Shelbyville on this project," said William Boehm, Kroger group vice president of logistics. "Our decision to invest in the Shelbyville facility was made easier by the working relationships that have evolved since the building was first opened in 1998. We believe this project will help support Kroger's growing retail business throughout the region."

Competing with South Carolina and Ohio, the Indiana Department of Commerce worked with the Shelby County Development Corp. to secure the project. Commerce awarded a \$250,000 Skills Enhancement Fund (SEF) grant to assist in the training of 565 of the company's full-time existing employees, and \$50,000 in Technology Enhancement Certification for Hoosiers (TECH) grants to train the company's IT professionals. In addition, the Department of Workforce Development (DWD) is offering \$200,000 in Advance Indiana grants to train employees in transferable skills such as information technology and advanced manufacturing.

In addition, the city of Shelbyville offered 10-year tax abatements on real and personal property worth approximately \$900,000.

"Kroger and Atlas have a strong presence in Central Indiana, and we are pleased that they have decided to expand here in Shelbyville," said Dan Theobald, executive director of the Shelby County Development Corp. "Advanced manufacturing is a key industry for us, and this project is a good fit for our community. It's another partnership between state and local officials and it's a great opportunity for Central Indiana employees."

Commerce awards SEF grants to Indiana companies that undertake capital investment projects. The grants help defray the costs of training new and current employees in basic work skills and company-specific skills necessary to support the project. The TECH Fund is used for costs associated with certifying a company's information technology professionals in areas including systems administration, systems engineering and software development.

For more information about Kroger, please visit its Web site at www.kroger.com. Companies interested in learning more about state assistance should contact their regional Commerce office at 800.463.8081 or access it's Web site at www.indianacommerce.com.

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